

## **MUNICIPAL CORPORATIONS COMMITTEE**

**DATE:** September 6, 2006

**CALLED TO ORDER:** 4:30 p.m.

**ADJOURNED:** 5:11 p.m.

### **ATTENDANCE**

#### **Attending Members**

Ron Gibson, Chair  
Vernon Brown  
Lonnell Conley  
Scott Keller  
Isaac Randolph  
Earl Salisbury

#### **Absent Members**

Sherron Franklin

### **AGENDA**

PROPOSAL NO. 456, 2006 - reviews, modifies and approves the 2007 operating budget of the Capital Improvement Board of Managers

"Do Pass "

Vote 5-0

PROPOSAL NO. 457, 2006 - reviews, modifies, and approves the 2007 operating budget of the Health and Hospital Corporation

"Do Pass "

Vote 5-0

PROPOSAL NO. 458, 2006 - reviews, modifies and approves the 2007 operating budget of the Indianapolis Airport Authority

"Do Pass "

Vote 4-1

PROPOSAL NO. 459, 2006 - reviews, modifies and approves the 2007 operating budget of the Indianapolis Public Transportation Corporation

"Do Pass "

Vote 6-0

PROPOSAL NO. 460, 2006 - reviews, modifies and approves the 2007 operating budget of the Indianapolis-Marion County Public Library Board

"Postponed" until September 18, 2006

Vote 6-0

## **MUNICIPAL CORPORATIONS COMMITTEE**

The Municipal Corporations Committee of the City-County Council met on Wednesday, September 6, 2006. Chairman Ron Gibson called the meeting to order at 4:35 p.m. with the following members present: Vernon Brown, Lonnell Conley, Scott Keller, and Earl Salisbury. Also present was Bart Brown, City-County Council Chief Financial Officer. Absent was Sherron Franklin.

PROPOSAL NO. 456, 2006 - reviews, modifies and approves the 2007 operating budget of the Capital Improvement Board of Managers

Chairman Gibson gave an overview of the Capital Improvement Board (CIB) budget presentation. He stated that the overall budget increase for 2007 would be less than 1%, the total operating budget would be about \$72 million, and the debt service would be about \$32 million. He said that the CIB does not receive revenue from property taxes, but does receive revenue from other tax sources; however, five of those sources are for the new stadium and are given to the State.

Councillor Brown asked Bart Brown if there have been any changes made to the budget since the proposal presentation. Mr. Brown stated there are no changes and no amendments to the budget.

Chairman Gibson asked for public input or additional comments, none were offered.

Councillor Conley moved, seconded by Councillor Brown to send Proposal No. 456, 2006 to the full council with a "Do Pass " recommendation. The motion was carried by a vote of 5-0.

Councillor Keller stated that although he voted for the budget, he wanted to point out that there is a \$10 million budget shortfall for the operation of the new stadium because it was not accounted for in the original legislation. Chairman Gibson stated that he agreed and the issue has been brewing since the state took over the project but talks between the city and the state have been ongoing. Mr. Brown stated that the plan put forth by the Mayor and endorsed by a majority of the Council included financing for operations over multiple years; however, when the state took over the financing plan was changed and no longer included operational costs.

PROPOSAL NO. 457, 2006 - reviews, modifies, and approves the 2007 operating budget of the Health and Hospital Corporation

Chairman Gibson stated that Matt Gutwein, President and Dan Sellers, Chief Financial Officer of Health and Hospital Corporation (HHC) were in attendance.

Chairman Gibson gave an overview of the HHC budget presentation. He stated that there is no increase in taxes, and they are using the same levy as 2006. He said the operating fund would be about \$230 million and the bond retirement fund would be about \$4 million.

Councillor Brown stated that HHC deserves a thank you, because they have been fiscally responsible, provided services to the uninsured and underinsured, and have worked hard for the citizens of Marion County. Mr. Gutwein said HHC appreciates the support of the Council.

Councillor Keller stated that HHC is working well with FSSA Secretary, Mitch Roob and wanted to commend HHC and Mr. Gutwein for rising above partisan politics to serve the public. Mr. Gutwein stated that Mr. Roob and HHC are trying to work together to provide better health care for the uninsured and underinsured.

Councillor Salisbury stated that HHC staff does an excellent job providing great services within the budget.

Councillor Conley stated that he agreed with the previous statements and that HHC is a model for other agencies.

Chairman Gibson agreed and asked for public input or additional comments, none were offered.

Councillor Conley moved, seconded by Councillor Brown to send Proposal No. 457, 2006 to the full council with a "Do Pass " recommendation. The motion was carried by a vote of 5-0.

PROPOSAL NO. 458, 2006 - reviews, modifies and approves the 2007 operating budget of the Indianapolis Airport Authority

Chairman Gibson stated that Marsha Stone, Indianapolis Airport Authority (IAA) Chief Financial Officer, was in attendance.

Chairman Gibson gave an overview of the IAA budget presentation. He stated that there are no property taxes in the budget. He said IAA's total operating fund is about \$185 million and total capital is about \$546 million.

Councillor Salisbury stated that the assessments for airport property not on the tax rolls were over \$43 million. He said airports around the country have gone to a system similar to an industrial park where communities receive taxes from those properties, and until IAA implements that type of system our communities will continue to participate very heavily in the taxes to build the airport; therefore, he will not vote for this budget proposal. Chairman Gibson stated that he understands the concern, but since IAA does not use property taxes, it is an economic benefit to our community.

Chairman Gibson asked for public input or additional comments.

Ms. Stone stated that the IAA board has approved the budget with no changes from the original proposal.

Mr. Brown stated that there are no changes and no property taxes. He said the only fees charged are user fees.

Councillor Brown stated that IAA is an asset to community by providing jobs and housing opportunities, but there is a problem with the current assessor system.

Councillor Conley agreed with the previous statements.

Councillor Conley moved, seconded by Councillor Brown to send Proposal No. 458, 2006 to the full council with a "Do Pass" recommendation. The motion was carried by a vote of 4-1, with Councillor Salisbury casting a nay vote.

PROPOSAL NO. 459, 2006 - reviews, modifies and approves the 2007 operating budget of the Indianapolis Public Transportation Corporation

Chairman Gibson stated that Mike Terry, Indianapolis Public Transportation Corporation (IndyGo) Vice President of Business Development and Wayne Oteham, Chief Financial Officer, were in attendance.

Chairman Gibson gave an overview of the IndyGo budget presentation. He stated that there are no increases in taxes in the budget. He said IndyGo's general fund is about \$46 million, bond fund is about \$1 million, the capital grants is about \$17 million, the cumulative transit fund is about \$3 million, and the levy is projected at 3% growth without a tax increase.

Mr. Brown stated that IndyGo is making adjustments to capture any growth in the levy.

Councillor Keller stated that Indianapolis needs a really good public transit system, because it would be an economic boon to the city. He said IndyGo is not the best public transit system, but without it there would be many people who would not be able to get to their jobs, so he will vote for their budget.

Councillor Brown stated that he agrees with Councillor Keller. He said IndyGo is currently in contract negotiations with their employees and asked if extra money has been written into character one to cover any salary increase that may occur. Mr. Oteham responded in the negative. Councillor Brown asked if IndyGo intended to cut services to cover that cost increase. Mr. Oteham stated that there would be no intention to cut services, but he does not yet know from where the funding would come.

[Clerk's Note: Councillor Randolph arrived 4:55 PM]

Councillor Brown stated that like most agencies, the product put out by IndyGo is dependent on the commitment of the employees who should be adequately compensated for their work. Mr. Oteham stated that he and Clifford Brown, President of Amalgamated Transit Union (ATU) Local 1070, have been working to find solutions that are acceptable to all parties. Councillor Brown stated that it is nice to see that they are working together as evidenced by Mr. Clifford Brown's attendance in support of this budget.

Mr. Clifford Brown stated that the union has been working with the company to reach an agreement and keep quality service. He stated that the union understands the budget problems and would like to find more money for operations, since there are no problems finding money for the capital budget. He said the union is very interested in building a great mass transit system, because Indianapolis can do better.

Chairman Gibson asked if there was an update on the trolley buses for downtown. Mr. Terry stated there has been more research done and feels that it would be an attraction that would increase ridership and revenue.

Chairman Gibson stated that the IndyGo Board has not passed the budget but will before the September 18 Council meeting and no changes are expected. Mr. Oteham stated that the vote would be held on September 14. Chairman Gibson said that if any changes occur, IndyGo would contact him immediately so that a special committee meeting could be arranged. Mr. Oteham stated that he is putting together the calendar next year to better coincide with the Council calendar.

Councillor Keller stated that the bus stop shelters are a vast improvement over the bus stop with a sign posted, because people no longer have to stand in the rain to wait for the bus.

Councillor Brown stated that the lack of bus shelters in his district is not due to IndyGo, but to the fact that there is a lack of sidewalks.

Chairman Gibson acknowledged the great job IndyGo is doing and asked for public input or additional comments, none were offered.

Councillor Conley moved, seconded by Councillor Keller to send Proposal No. 459, 2006 to the full council with a "Do Pass" recommendation. The motion was carried by a vote of 6-0.

PROPOSAL NO. 460, 2006 - reviews, modifies and approves the 2007 operating budget of the Indianapolis-Marion County Public Library Board

Chairman Gibson stated that Becky Dixon; Indianapolis-Marion County Public Library Board (IMCPL) Chief Financial Officer was in attendance.

Chairman Gibson stated that he would like to postpone the vote on the budget, because unlike the other agencies, IMCPL did not include a 3% levy increase for growth. He stated that it would only be fair to allow IMCPL to revise their budget with the increase and return for a special meeting to present it. He added that there are no tax increases in this budget.

Bart Brown stated that the changes in inventory and the delay in receiving assessment numbers created the need to include the typical 3% levy increase for IMCPL.

Councillor Salisbury wanted clarification regarding delayed assessment numbers. Bart Brown stated that he did not mean assessment, he meant trending numbers are delayed. He said that the Lawrence Township Assessor stated that trending numbers would not be available until late September, which is after the Council votes on the budget.

Chairman Gibson asked for public input or additional comments, none were offered.

Councillor Conley moved, seconded by Councillor Brown to "Postpone" Proposal No. 460, 2006 until September 18, 2006. The motion carried by a vote of 6-0.

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With no further business pending, and upon motion duly made, the Municipal Corporations Committee of the City-County Council was adjourned at 5:11 p.m.

Respectfully submitted,

Ron Gibson, Chair  
Municipal Corporations Committee

RG/cmc